

CURRENT MEDICAID ID#	NAME OF FACILITY	CITY	MEDICAID ANNUALIZED DAYS FY00	\$2.14 MEDICAID COST	MEDICAID ANNUALIZED DAYS FY01	\$2.23 MEDICAID COST	DIRECT WAGE ADD ON TOTAL MEDICAID COST
FACNUM	FACILITY	CITY	MAD	MEDD	MA	ME	ME
31-4119	COMMUNITY NURSING HOME OF ANACONDA	ANACONDA	13,288	\$28,436	12,892	\$28,749	\$57,185
31-5224	FALLON COUNTY MEDICAL COMPLEX - NH	BAKER	8,600	\$18,404	7,342	\$16,373	\$34,777
31-0420	PRAIRIE VISTA MANOR	BIG SANDY	8,649	\$18,509	8,344	\$18,607	\$37,116
31-0518	BIG SANDY MEDICAL CENTER - LTC	BIG SANDY	3,921	\$8,391	3,169	\$7,067	\$15,458
31-0141	PIONEER MEDICAL CENTER	BIG TIMBER	6,556	\$14,030	7,470	\$16,658	\$30,688
31-2078	LAKEVIEW CARE CENTER	BIGFORK	14,975	\$32,047	15,649	\$34,897	\$66,944
31-0369	ASPEN MEADOWS	BILLINGS	12,614	\$26,994	14,811	\$33,029	\$60,023
31-2689	VALLEY HEALTH CARE CENTER	BILLINGS	25,897	\$55,420	26,967	\$60,136	\$115,556
31-0046	EVERGREEN BILLINGS HEALTH & REHABILITA	BILLINGS	8,936	\$19,123	8,349	\$18,618	\$37,741
31-2208	EAGLE CLIFF MANOR	BILLINGS	22,911	\$49,030	22,647	\$50,503	\$99,533
31-0206	ST. JOHN'S LUTHERAN HOME	BILLINGS	33,255	\$71,166	35,604	\$79,397	\$150,563
31-8760	WESTERN MANOR HEALTH CARE CENTER	BILLINGS	29,392	\$62,899	27,074	\$60,375	\$123,274
31-0193	PARKVIEW CARE CENTER	BILLINGS	24,312	\$52,028	24,293	\$54,173	\$106,201
31-2039	MOUNTAIN VIEW CARE CENTER	BOZEMAN	7,306	\$15,635	7,661	\$17,084	\$32,719
31-0466	EVERGREEN BOZEMAN HEALTH & REHABILITA	BOZEMAN	14,942	\$31,976	14,405	\$32,123	\$64,099
31-6836	GALLATIN REST HOME	BOZEMAN	15,642	\$33,474	14,881	\$33,185	\$66,659
31-1480	POWDER RIVER MANOR	BROADUS	7,242	\$15,498	8,117	\$18,101	\$33,599
31-0011	BLACKFEET NURSING HOME	BROWNING	11,973	\$25,622	14,178	\$31,617	\$57,239
31-0080	EVERGREEN BUTTE HEALTH & REHABILITATIO	BUTTE	34,542	\$73,920	30,398	\$67,788	\$141,708
31-0267	BUTTE CONVALESCENT CENTER	BUTTE	26,669	\$57,072	27,452	\$61,218	\$118,290
31-5731	CREST NURSING HOME	BUTTE	18,701	\$40,020	20,640	\$46,027	\$86,047
31-2858	LIBERTY COUNTY NURSING HOME	CHESTER	6,034	\$12,913	6,631	\$14,787	\$27,700
31-3014	SWEET MEMORIAL NURSING HOME	CHINOOK	6,592	\$14,107	6,072	\$13,541	\$27,648
31-1597	TETON MEDICAL CENTER - NH	CHOTEAU	5,067	\$10,843	5,834	\$13,010	\$23,853
31-8604	TETON NURSING HOME	CHOTEAU	7,922	\$16,953	6,668	\$14,870	\$31,823
31-7369	MCCONE COUNTY NURSING HOME	CIRCLE	5,914	\$12,656	6,127	\$13,663	\$26,319
31-0012	EVERGREEN CLANCY HEALTH & REHABILITAT	CLANCY	12,871	\$27,544	10,218	\$22,786	\$50,330
57-0219	MONTANA VETERAN'S HOME - NH	COLUMBIA FALLS	4,820	\$10,315	4,022	\$8,969	\$19,284
31-1844	STILLWATER COMMUNITY HOSPITAL-ECU	COLUMBUS	2,012	\$4,306	1,384	\$3,086	\$7,392
31-2052	BEARTOOTH MANOR	COLUMBUS	15,522	\$33,217	16,278	\$36,300	\$69,517
31-0232	PONDERA MEDICAL CENTER	CONRAD	10,265	\$21,967	9,798	\$21,850	\$43,817
31-0318	AWE KUALAWAACHE CARE CENTER	CROW AGENCY	7,937	\$16,985	8,252	\$18,402	\$35,387

PREPARED BY DPHHS/SENIOR AI

TN # 00-007

Approved 10/25/00

Effective 7/1/2000

Supersedes TN # 99-004

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FACNUM	FACILITY	CITY	MAD	MEDD	MA	ME	ME
31-0557	ROOSEVELT MEMORIAL MEDICAL CTR & NH	CULBERTSON	8,828	\$18,892	9,156	\$20,418	\$39,310
31-1129	GLACIER COUNTY MEDICAL CENTER - NH	CUT BANK	5,083	\$10,878	5,709	\$12,731	\$23,609
31-0250	COLONIAL MANOR OF DEER LODGE	DEER LODGE	15,711	\$33,622	15,828	\$35,296	\$68,918
31-1701	POWELL COUNTY MEMORIAL HOSP LTC	DEER LODGE	1,474	\$3,154	2,206	\$4,919	\$8,073
31-0471	PARKVIEW ACRES CONVALESCENT CENTER	DILLON	18,454	\$39,492	17,590	\$39,226	\$78,718
31-8981	DAHL MEMORIAL NURSING HOME	EKALAKA	4,703	\$10,064	4,477	\$9,984	\$20,048
31-0661	MADISON VALLEY MANOR	ENNIS	7,015	\$15,012	6,790	\$15,142	\$30,154
31-1350	MOUNTAIN VIEW MANOR GOOD SAMARITAN	EUREKA	12,948	\$27,709	12,406	\$27,665	\$55,374
31-4184	ROSEBUD HEALTH CARE CENTER - NH	FORSYTH	10,510	\$22,491	9,887	\$22,048	\$44,539
31-6550	MISSOURI RIVER MEDICAL CENTER	FORT BENTON	7,495	\$16,039	6,180	\$13,781	\$29,820
31-2572	VALLEY VIEW HOME	GLASGOW	18,482	\$39,551	17,296	\$38,570	\$78,121
31-0037	EASTERN MONTANA VETERAN'S HOME	GLENDIVE	10,319	\$22,083	6,937	\$15,470	\$37,553
31-6615	GLENDIVE MEDICAL CENTER - NH	GLENDIVE	18,551	\$39,699	19,194	\$42,803	\$82,502
31-0454	PARK PLACE HEALTH CARE CENTER	GREAT FALLS	44,884	\$96,052	44,375	\$98,956	\$195,008
31-0301	MISSOURI RIVER MANOR	GREAT FALLS	59,622	\$127,591	61,031	\$136,099	\$263,690
31-6771	BENEFIS SKILLED NURSING CENTER	GREAT FALLS	25,684	\$54,964	27,764	\$61,914	\$116,878
31-1623	THE DISCOVERY CARE CENTRE	HAMILTON	13,270	\$28,398	14,095	\$31,432	\$59,830
31-0167	VALLEY VIEW ESTATES HEALTH CARE CENTE	HAMILTON	19,408	\$41,533	18,252	\$40,702	\$82,235
31-2533	BIG HORN COUNTY MEMORIAL NH	HARDIN	6,144	\$13,148	6,791	\$15,144	\$28,292
31-2182	HERITAGE ACRES	HARDIN	6,714	\$14,368	7,479	\$16,678	\$31,046
31-7213	WHEATLAND MEMORIAL NURSING HOME	HARLOWTON	8,090	\$17,313	6,681	\$14,899	\$32,212

TN # 00-007

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FACNUM	FACILITY	CITY	MAD	MEDD	MA	ME	ME
31-0323	NORTHERN MONTANA LONG TERM CARE	HAVRE	29,579	\$63,299	26,972	\$60,148	\$123,447
31-2143	BIG SKY CARE CENTER	HELENA	24,165	\$51,713	26,260	\$58,560	\$110,273
31-2247	ROCKY MOUNTAIN CARE CENTER	HELENA	11,335	\$24,257	11,234	\$25,052	\$49,309
31-0804	COONEY CONVALESCENT HOME	HELENA	14,853	\$31,785	15,993	\$35,664	\$67,449
31-0635	EVERGREEN HOT SPRINGS HEALTH & REHAB	HOT SPRINGS	7,646	\$16,362	6,629	\$14,783	\$31,145
31-1441	GARFIELD COUNTY HEALTH CENTER	JORDAN	1,738	\$3,719	1,209	\$2,696	\$6,415
31-3300	IMMANUEL LUTHERAN HOME	KALISPELL	32,267	\$69,051	32,025	\$71,416	\$140,467
31-0089	BRENDAN HOUSE	KALISPELL	15,285	\$32,710	16,006	\$35,693	\$68,403
31-2104	HERITAGE PLACE	KALISPELL	26,812	\$57,378	28,265	\$63,031	\$120,409
31-0114	EVERGREEN LAUREL HEALTH & REHABILITAT	LAUREL	16,174	\$34,612	16,722	\$37,290	\$71,902
31-8539	CENTRAL MONTANA NURSING HOME	LEWISTOWN	18,201	\$38,950	18,347	\$40,914	\$79,864
31-2260	VALLE VISTA MANOR	LEWISTOWN	14,508	\$31,047	12,073	\$26,923	\$57,970
31-2026	LIBBY CARE CENTER	LIBBY	25,391	\$54,337	25,361	\$56,555	\$110,892
31-0403	LIVINGSTON HEALTH AND REHABILITATION CE	LIVINGSTON	19,092	\$40,857	19,097	\$42,586	\$83,443
31-3872	PHILLIPS COUNTY GOOD SAMARITAN	MALTA	9,883	\$21,150	10,140	\$22,612	\$43,762
31-1831	HOLY ROSARY HEALTH CENTER	MILES CITY	19,132	\$40,942	17,549	\$39,134	\$80,076
31-2065	FRIENDSHIP VILLA CARE CENTER	MILES CITY	13,596	\$29,095	13,649	\$30,437	\$59,532
31-0258	HILLSIDE MANOR	MISSOULA	17,836	\$38,169	19,903	\$44,384	\$82,553
31-0180	THE VILLAGE HEALTH CARE CENTER	MISSOULA	31,814	\$68,082	32,764	\$73,064	\$141,146
31-1402	RIVERSIDE HEALTH CARE CENTER	MISSOULA	13,149	\$28,139	11,773	\$26,254	\$54,393
31-0029	EVERGREEN MISSOULA HEALTH & REHABILIT	MISSOULA	10,237	\$21,907	10,807	\$24,100	\$46,007
31-0336	GRANITE COUNTY MEMORIAL NH	PHILIPSBURG	6,616	\$14,158	5,774	\$12,876	\$27,034
31-1727	CLARK FORK VALLEY NURSING HOME	PLAINS	5,944	\$12,720	6,910	\$15,409	\$28,129
31-7434	SHERIDAN MEMORIAL NURSING HOME	PLENTYWOOD	11,493	\$24,595	11,934	\$26,613	\$51,208
31-0622	EVERGREEN POLSON HEALTH & REHABILITAT	POLSON	14,238	\$30,469	16,942	\$37,781	\$68,250
31-4626	NORTHEAST MONTANA HEALTH SERVICES, IN	POPLAR	4,538	\$9,711	4,365	\$9,734	\$19,445
31-1935	BEARTOOTH HOSPITAL HEALTH CENTER	RED LODGE	4,245	\$9,084	5,485	\$12,232	\$21,316
31-2117	CEDAR WOOD VILLA	RED LODGE	13,956	\$29,866	12,530	\$27,942	\$57,808
31-0216	WEST SIDE CARE CENTER	RONAN	6,078	\$13,007	6,477	\$14,444	\$27,451
31-0765	ST. LUKE COMMUNITY NURSING HOME	RONAN	13,652	\$29,215	13,298	\$29,655	\$58,870
31-0882	ROUNDUP MEMORIAL NURSING HOME	ROUNDUP	6,795	\$14,541	6,440	\$14,361	\$28,902
31-8682	DANIELS MEMORIAL NURSING HOME	SCOBAY	4,675	\$10,005	5,994	\$13,367	\$23,372

PREPARED BY DPHHS\SE

TN # 00-007

Approved

10/25/00

Effective 7/1/2000

37.wk4

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FACNUM	FACILITY	CITY	MAD	MEDD	MA	ME	ME
31-5666	MARIAS CARE CENTER	SHELBY	9,332	\$19,970	9,981	\$22,258	\$42,228
31-3963	TOBACCO ROOT MOUNTAINS CARE CENTER	SHERIDAN	6,099	\$13,052	7,577	\$16,897	\$29,949
31-0245	SIDNEY HEALTH CENTER	SIDNEY	16,123	\$34,503	16,997	\$37,903	\$72,406
31-0609	BITTERROOT VALLEY LIVING CENTER	STEVENSVILLE	10,152	\$21,725	11,208	\$24,994	\$46,719
31-1103	MINERAL COUNTY NURSING HOME	SUPERIOR	4,121	\$8,819	4,889	\$10,902	\$19,721
31-3456	PRAIRIE COMMUNITY NURSING HOME	TERRY	3,609	\$7,723	3,735	\$8,329	\$16,052
31-0726	BROADWATER HEALTH CENTER NH	TOWNSEND	11,185	\$23,936	12,087	\$26,954	\$50,890
31-1467	MOUNTAINVIEW MEMORIAL NH	WHITE SULPHUR	5,453	\$11,669	4,973	\$11,090	\$22,759
31-0233	COLONIAL MANOR OF WHITEFISH	WHITEFISH	13,893	\$29,731	15,135	\$33,751	\$63,482
31-8916	NORTH VALLEY HOSPITAL AND ECC	WHITEFISH	13,040	\$27,906	11,125	\$24,809	\$52,715
31-3378	WIBAUX COUNTY NURSING HOME	WIBAUX	7,266	\$15,549	8,787	\$19,595	\$35,144
31-0349	FAITH LUTHERAN HOME	WOLF POINT	13,376	\$28,625	14,096	\$31,434	\$60,059
	TOTAL		1,337,240	\$2,861,693	1,343,268	\$2,995,488	\$5,857,181
# of Rows	AVERAGE						
97	WEIGHTED AVERAGE			\$2.14		\$2.23	

TN # 00-007

Approved

10/25/00Effective 7/1/2000

Supersedes TN # 99-004

DIRECT CARE WAGE ADD-ON FORM
EFFECTIVE FOR FISCAL YEAR 2001 (JULY 1, 2000-JUNE 30, 2001)

Nursing Facility Services Bureau

Actual FY 2000						Projected FY 2001					K	L
	A	B	C	D	E	F	G	H	I	J	FY 2000 Total Payroll	FY 2001 Total Payroll
Worker Type	Average Hourly Wage	Average Benefit Percent or Amount	Average Hourly Wage & Benefits	FTE	Number Employees	Average Hourly Wage	Average Benefit Percent or Amount	Average Hourly Wage & Benefits	FTE	Number Employees		
1 RN												
2 LPN												
3 CNA												
4 Dietary/Food Service												
5 Social Services												
6 Activities												
7 Social Worker												
8 Housekeeping												
9 Laundry												
10 Other												
11 Other												
12 Other												

FY2000 data must match or exceed data reported in 1999 as projected FY2000.

TOTAL: \$

Facility Name: _____

Contact Person: _____

Address: _____

Effective Date of Increase _____

Provider Number: _____

State Fiscal Year is July 1 thru June 30.

Instructions

- Column A: Indicate the Average Hourly Wage for each worker type for FY2000
 Column B: The Average Benefit percent or amount paid for each worker type for FY2000. See note 2.
 Column C: Indicate the Average Wage & Benefits for all workers within this type for FY2000. See note 3.
 Column D: The number of Full Time Equivalents (FTE's) for each worker type for FY 2000, (divide the number of hours provided for the year by 2080).
 Column E: The number of employees (people) that fill the FTE's in column D
 Column F: Indicate the Average Hourly Wage for each worker type for FY2001
 Column G: The Average Benefit percent or amount paid for each worker type for FY2001. See note 2.
 Column H: Indicate the Average Wage & Benefits for all workers within this type for FY2001. See note 3.
 Column I: The number of Full Time Equivalents (FTE's) for each worker type for FY2001, (divide the number of hours provided for the year by 2080).
 Column J: The number of employees (people) that fill the FTE's in column D
 Column K: Multiply column C by column D by 2080 hours.
 Column L: Multiply column H by column I by 2080 hours.

NOTES:

- 1 FTE equals 2080 hours per year.
If 11 employees will provide approximately 10,500 hours of work, the FTE calculation is $10,500/2080 = 5$ FTE
- Benefits are insurance, FICA, pension, workers comp, unemployment, payroll taxes, etc., paid by the employer.
- To get wage & benefits in column C:
If you used benefit amount in Col B, add A & B
If you used benefit percent in Col B, multiply A & 1 B
(If the wage is \$7.50 and the benefits are 36%,
Col C is $7.50 \times 1.36 = \$10.20$)

Effective 7/1/2000

Approved 10/25/00

TN # 00-007

Supervisor TN # 00-002

Supplement to
Attachment 4.19D

Service
Institutions for Mental
Diseases

MONTANA

The following methods are used for establishing reimbursement rates for skilled nursing and intermediate care services provided in institutions for mental diseases (IMDs):

- (1) Payment rates will be effective for rate years beginning July 1 of each year. The Department will establish an interim rate by October 1 of each rate year. The interim rate will be based upon estimated allowable cost per day for the rate year as limited by the reimbursement rules that follow. The estimated allowable cost per day will be determined by dividing total estimated allowable costs for the rate year by total estimated bed days for the rate year. The final payment rate for each rate year will be computed by dividing the total allowable costs incurred by the provider as determined in ARM 46.12.1207 by the total allowable bed days of service during the rate year. Total allowable costs and bed days will be determined by a desk review or field audit of the provider's cost report.
- (2) The interim payment rate will be limited by the Department's estimate of the upper payment rate limit.
- (3) The final payment rate will be limited by an upper payment rate limit. The upper payment rate limit is computed by first calculating the total allowable cost per day for a base year. The base year cost per day is then indexed forward by the Medicare market basket rate of increase from June 30 of the base year to June 30 of each subsequent rate year to determine the upper payment rate limit. The base year for a provider is the initial rate year for which an interim rate is set under these reimbursement rules.
- (4) The difference between the final rate and the interim payment rate will be settled through the overpayment and underpayment procedures set forth in ARM 46.12.1209.

46.12.590 RESIDENTIAL TREATMENT SERVICES, PURPOSE AND DEFINITIONS (1) The purpose of the following rules is to specify provider participation and program requirements and to define the basis and procedure the department will use to pay for residential treatment services for individuals under age 21. Facilities in which these services are available are hereinafter referred to as providers.

(2) As used in this subchapter, the following definitions apply:

(a) "Residential treatment services" means residential psychiatric care provided in accordance with these rules and applicable state and federal requirements, including but not limited to 42 CFR 440.160 and 441.150 through 441.156, which provide definitions and program requirements and which the department hereby adopts and incorporates by reference. A copy of the cited regulations may be obtained through the Department of Public Health and Human Services, PO Box 202951, 1400 Broadway, Helena, MT 59620-2951. Residential treatment services are services that comply with the requirements of these rules and the above-cited federal regulations and are provided in a residential treatment facility that is devoted to the provision of residential psychiatric care for persons under the age of 21.

(b) "Devoted to the provision of residential psychiatric care for persons under the age of 21" means a residential treatment facility whose goals, purpose and care are designed for and devoted exclusively to persons under the age of 21.

(c) "Owner" means any person, agency, corporation, partnership or other entity which has an ownership interest, including a leasehold or rental interest, in assets used to provide services pursuant to an agreement with the department.

(d) "Administrator" means the person, including an owner, salaried employee, or other provider, with day-to-day responsibility for the operation of the facility. In the case of a facility with a central management group, the administrator, for the purpose of this subchapter, may be some person (other than the titled administrator of the facility), with day-to-day responsibility for the facility.

(e) "Related parties" shall include the following:

(i) A person or entity shall be deemed a related party to his spouse, ancestors, descendants, brothers and sisters, or the spouses of any of the above, and also to any corporation, partnership, estate, trust, or other entity in which he or a related party has a substantial interest or in which there is common ownership.

(ii) A substantial interest shall be deemed an interest directly or indirectly, in excess of 5% of the control, voting power, equity, or other beneficial interest of the entity concerned.

(iii) Interests owned by a corporation, partnership, estate, trust, or other entity shall be deemed as owned by the stockholders, partners, or beneficiaries.

(iv) Control exists when a person or entity has the power,

directly or indirectly, whether legally enforceable or not, to significantly influence or direct the actions or policies of another person or entity, whether or not such power is exercised.

(v) Common ownership exists when a person has substantial interests in two or more providers or entities serving providers.

(f) "Fiscal year" and "fiscal reporting period" both mean the provider's federal internal revenue tax year.

(g) "Department audit staff" and "audit staff" mean personnel directly employed by the department or any of the department's contracted audit personnel or organizations.

(h) "Rate year" means a 12-month period beginning July 1.

(I) "Residential psychiatric care" means active psychiatric treatment provided in a residential treatment facility, under the direction of a physician, to psychiatrically impaired individuals with persistent patterns of emotional, psychological or behavioral dysfunction of such severity as to require 24-hour supervised care to adequately treat or remediate their condition. Residential psychiatric care must be individualized and designed to achieve the patient's discharge to a less restrictive level of care at the earliest possible time. Residential psychiatric care includes only treatment or services provided in accordance with all applicable licensure, certification and accreditation requirements and these rules.

(j) "Residential treatment facility" means a facility licensed by the department, or the equivalent agency in the state in which the facility is located, as a residential treatment facility or the equivalent category in the state where the facility is located.

(k) "Working day" means any day Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding state holidays.

(l) "Occupancy rate" means the total number of days of service to all patients in the cost reporting period divided by the product of the average number of beds available during the cost reporting period and the total number of days in the cost reporting period.

(m) "Beds available" means the number of residential treatment beds for which the facility has been licensed by the department.

(n) "Patient day" means a whole 24-hour period that a person is present and receiving residential treatment services. Even though a person may not be present for a whole 24-hour period, the day of admission and, therapeutic home leave days are patient days. The day of discharge is not a patient day for purposes of reimbursement.

46.12.591 RESIDENTIAL TREATMENT SERVICES, PARTICIPATION REQUIREMENTS (1) These requirements are in addition to those contained in rule provisions generally applicable to medicaid providers.

(2) Residential treatment service providers, as a condition of participation in the Montana medicaid program, must comply with the following requirements:

(a) maintain a current license as a residential treatment facility under the rules of the department's quality assurance division to provide residential psychiatric care, or, if the provider's facility is not located within the state of Montana, maintain a current license in the equivalent category under the laws of the state in which the facility is located;

(b) maintain a current certification for Montana medicaid under the rules of the department's quality assurance division to provide residential psychiatric care or, if the provider's facility is not located within the state of Montana, meet the requirements of (g) and (h);

(c) for all providers, enter into and maintain a current provider enrollment form with the department's fiscal agent to provide residential treatment services;

(d) license and/or register facility personnel in accordance with applicable state and federal laws;

(e) accept, as payment in full for all operating and property costs, the amounts calculated and paid in accordance with the reimbursement method set forth in these rules;

(f) for providers maintaining patient trust accounts, insure that any funds maintained in those accounts are used only for those purposes for which the patient, legal guardian or personal representative of the patient has given written authorization. A provider may not borrow funds from these accounts for any purpose;

(g) maintain accreditation as a residential treatment facility by the joint commission on accreditation of health care organizations (JCAHO) or any other organization designated by the secretary of the United States department of health and human services as authorized to accredit residential treatment facilities for medicaid participation;

(h) submit to the department prior to receiving initial reimbursement payments and thereafter within 30 days after receipt, all accreditation determinations, findings, reports and related documents issued by the accrediting organization to the provider;

(i) provide residential psychiatric care according to the service requirements for individuals under age 21 specified in Title 42 CFR, part 441, subpart D (October 1, 1992), which is a federal regulation which is herein incorporated by reference. A copy of these regulations may be obtained through the Department of Public Health and Human Services, Addictive and Mental Disorders Division, 111 N. Sanders, P.O. Box 4210, Helena, MT 59604-4210;

(j) agree to indemnify the department in the full amount of the state and federal shares of all medicaid residential treatment reimbursement paid to the facility during any period when federal financial participation is unavailable due to facility failure to meet the conditions of participation specified in these rules or due to other facility deficiencies or errors.

46.12.592 RESIDENTIAL TREATMENT SERVICES, REIMBURSEMENT

(1) For residential treatment services provided on or after April 1, 1996, the Montana medicaid program will pay a provider for each patient day as provided in these rules.

(a) Medicaid payment is not allowable for treatment or services provided in a residential treatment facility that are not within the definition of residential psychiatric care in ARM 46.12.590 and unless all other applicable requirements are met.

(2) For residential treatment services provided in the state of Montana, the Montana medicaid program will pay a provider, for each medicaid patient day, a bundled per diem rate determined in accordance with these rules, less any third party or other payments.

(3) For purposes of this rule, the following definitions apply:

(a) "Adjusted base period cost" means the facility-specific audited per diem allowable base period cost multiplied by the facility-specific bundling adjustment factor specified in these rules for each Montana provider. Calculation of the facility specific bundling factor is based on Medicaid payments made to non-residential treatment providers for services related to the recipient's psychiatric diagnosis while the recipient was in the residential facility during the 1994 base period. The bundling adjustment factor is applied to each facility's 1994 base period per diem cost one time only.

(i) For the 1994 base period, the facility-specific bundling adjustment factor for shodair is 0.7%, for yellowstone treatment centers it is 2.0% and for rivendell of Montana it is 2.7%.

(ii) For purposes of setting rates under this rule, the department has determined base period cost information based upon audits of unsettled provider base period cost reports. Upon final settlement of the base period cost reports of an established provider, the department will adjust the provider's rate retroactively based upon the settled cost information if use of the final information would result in an increase of at least \$.50 per diem in the provider's rate.

(b) "Base period" means, for purposes of setting rates for the 4th quarter of state fiscal year 1996 and subsequent rate years, the period from July 1, 1993 through June 30, 1994, referred to as the 1994 base period.

(c) "Blended rate" means the average of the facility's indexed adjusted cost and the statewide rate.

(d) "DRI index" means the HCFA nursing home without capital market basket that is published periodically by DRI/McGraw Hill and that applies to the rate period as specified in these rules. The DRI indexes used to set rates under these rules are estimates of inflation for future time periods and will not be adjusted to follow subsequent estimates or indexes.

(I) For purposes of calculating rates for the period April 1, 1996 through June 30, 1996 (4th quarter 1996), the DRI index is applied by multiplying the provider's adjusted base period cost by 7.7% to